

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

0 3 — 0 1 9

2. STATE:

OKLAHOMA

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

01-01-04

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR Subpart C

7. FEDERAL BUDGET IMPACT:

a. FFY 2004 \$ 19,713,052b. FFY 2005 \$ 28,733,526

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-D, Page 11

Attachment 4.19-D, Page 29

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Same page, Revised 09-01-01, TN#01-17

Same page, Revised 01-01-02, TN#02-04

10. SUBJECT OF AMENDMENT:

Nursing facility reimbursement

11. GOVERNOR'S REVIEW (Check One):

☒ GOVERNOR'S OFFICE REPORTED NO COMMENT☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL☐ OTHER, AS SPECIFIED:

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

Mike Fogarty

14. TITLE:

Chief Executive Officer

15. DATE SUBMITTED:

November 7, 2003

16. RETURN TO:

Oklahoma Health Care Authority

attn: Jim Hancock

4545 N. Lincoln, Suite 124

Oklahoma City, OK 73105

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

12 NOVEMBER 2003

18. DATE APPROVED:

JAN 23 2004

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

JAN 1 2004

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

ANDREW A. FREDRICKSON

22. TITLE:

ASSOCIATE REGIONAL ADMINISTRATOR
DEV OF MEDICAID & CHILDREN'S HEALTH

23. REMARKS:

c: Mike Fogarty
Jim Hancock

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES
FOR NURSING FACILITIES

For the rate period beginning 09-01-01 the add-on determined in 7, steps 1 through 4, above will be deleted before trending forward (as in 3A.4, page 3). The "Major Fraction Thereof" provision in determining compliance with the staffing requirements was added back to the nursing homes (per SB #803) and the portion in the current rates for the loss of the provision was deleted as of the effective date, 09-01-01.

Also, effective 09-01-01 the rates will be adjusted for the additional cost of the new direct care staffing ratio requirements. The new ratios (effective 09-01-01) are 1:7, 1:10 and 1:17 respectively, for the day, evening and night shifts. The adjustment is determined as follows:

1. Determine the current direct care hours per day from the latest available Quality of Care Reports.
2. Determine the percent increase in direct care hours per day from the base year (SFY 1999) to the current year as determined in 1 above.
3. Assuming the same increase in hours will be needed to comply with the new staffing ratios that go into effect as of 09-01-01, the hours per day required for the rate period will be the current hours per day (determined in 1 above) increased by the percent determined in 2 above.
4. The hours per day in the established rate were subtracted from the result in 3.
5. The resulting increase in hours per day as determined in 4 above will be multiplied by the cost per hour in the established rate to determine the add-on for the new staffing requirements.

This add-on will be trended forward by the same method as in 3.A. 4 on page 3.

E. Statewide Base Rate

The statewide facility base rate is the sum of the primary operating per diem, the administrative services per diem, the capital per diem and the adjustments for changes in law or regulation less the enhancement in 4 below.

- F. For the rate period beginning 01-01-04 the non-capital components of the rate less the Quality of Care Fee will be trended forward by the same number as 3.A 4 on Page 3 and the capital component will be trended forward by the same method as in C on Page 4, to the midpoint of the 2004 calendar year.

Revised 01-01-04

TN# _____ Approval Date JAN 23 2004 Effective Date JAN - 1 2004
Supersedes _____
TN# _____

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES
FOR NURSING FACILITIES

The add-on rate will be established prospectively according to the methods described above until a reimbursement rate can be derived from the cost reports which will reasonably reimburse the cost of an economic and efficient provider for ventilator patient care.

For the period beginning January 1, 2004, no adjustment will be made to the add-on.

Revised 01-01-04

TN# _____ Approval Date JAN 23 2004 Effective Date JAN - 1 2004
Supersedes
TN# _____